

Christopher R. LaRose
(314) 259-4779
(314) 612-2361 (Fax)
clarose@armstrongteasdale.com

ARMSTRONG TEASDALE LLP

ILLINOIS

KANSAS

MISSOURI

NEVADA

SHANGHAI

WASHINGTON, DC

ATTORNEYS AT LAW

November 20, 2008

VIA UPS NEXT DAY AIR

PERSONAL AND CONFIDENTIAL

Jeff Jordan
Supervisory Attorney
Federal Election Commission
999 E. Street, N.W.
Washington, DC 20463

Re: **MUR 6099**

Dear Mr. Jordan:

Armstrong Teasdale LLP represents Waverley Glen in the above referenced matter. As per your letter dated October 27, 2008, please find enclosed Waverley Glen's Response and attached exhibits as requested.

If this Response is required to be sent to Complainant Todd Graves, please forward as needed.

Sincerely,



Christopher R. LaRose

CRL
Response Statement and Attached Exhibits

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

2008 NOV 21 P 1:46

29044243073

BEFORE THE FEDERAL ELECTION COMMISSION
OF THE UNITED STATES

TODD P. GRAVES,

Complainant,

vs.

SAM PAGE,

Respondent.

MUR NO. 6099

2008 NOV 21 P 1:51

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

WAVERLEY GLEN'S RESPONSE TO COMPLAINT

Complainant Todd Graves has asserted in his Complaint filed in this matter that Respondent Sam Page violated the Federal Election Campaign Act of 1971 ("the Act") by accepting a political contribution from a foreign corporation. That foreign corporation is further alleged by Mr. Graves to be Waverley Glen, a Prism Medical Company ("Waverley Glen"). The Federal Election Commission ("Commission") has asked Waverley Glen to respond to the Complaint. Said response follows.

The allegations contained in Todd Graves' Complaint are based upon an erroneous understanding of the circumstances surrounding the disputed \$10,000 contribution as well as the corporate structure of the company making the donation. Indeed, a Delaware corporation – Ergosafe Products, LLC ("Ergosafe") which has its home office and conducts substantial business in Missouri, made the contribution. The funds were drawn from Ergosafe's bank account, located in

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Missouri, at the direction of its president, Charley Wallace. Contrary to further allegations contained in the Complaint, the original Campaign Finance Report was amended to correct a clerical error, the donor's address, and not to disguise an illegal contribution.

I. THE DISPUTED CONTRIBUTION WAS MADE BY A DOMESTIC COMPANY.

Mr. Page admits that he received and accepted a contribution of \$10,000 from "Waverly [sic] Glen, A Prism Medical Company," located at 2351 Grissom Drive, St. Louis, Missouri. See Amended Campaign Finance Report, attached hereto as Exhibit A. The entity that in fact made the contribution is a domestic corporation registered to conduct business in Missouri. Therefore, acceptance of the contribution was not a violation of 2 U.S.C. § 441e.

"Waverley Glen, A Prism Medical Company" is merely a trade name utilized by all Prism Group companies. See Charley Wallace Affidavit at ¶ 7, attached as Exhibit B. While the Complaint correctly describes Waverley Glen, and its parent company Prism Medical Ltd., as Canadian companies, neither company actually authorized or funded the contribution to Page. In fact, Ergosafe Products, LLC – a domestic company located in Missouri and a subsidiary of the Canadian entities – made the contribution.

1. Ergosafe's Corporate Structure

Ergosafe is a Delaware corporation, registered to conduct business in

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Missouri. See Certificate of Formation of Ergosafe Products, LLC, attached hereto as Exhibit C; Missouri Certificate of Registration Foreign Limited Liability Company, attached hereto as Exhibit D. Its home office is located at 2351 Grissom Dr. St. Louis, Missouri, the address reflected on the Amended Campaign Finance Report. See Affidavit, Ex. B at ¶ 4.

Ergosafe is wholly owned by a corporate trust company called Prism Medical USA, Inc., a Delaware corporation which owns various United States entities on behalf of Prism Medical Ltd. See Entity Details, attached hereto as Exhibit E; Affidavit, Ex. B at ¶ 5. All of these related companies, both in the United States and Canada, fall under a general umbrella called the Prism Group.

2. Trade Names

In both Missouri and Delaware, Ergosafe has registered the trade name of "Prism Medical Services USA." See New Castle County Registration of Trade Names, Partnerships & Associations, attached hereto as Exhibit F; Missouri Registration of a Fictitious Name, attached hereto as Exhibit G. Moreover, as is the custom of all Prism Group companies, Ergosafe typically uses the trade name "Waverley Glen, A Prism Medical Company," as it did in this instance. See Affidavit, Ex. B at ¶ 7.

3. Contribution

Complainant asserts that Mr. Page has attempted to "conceal the foreign

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source" of the contribution by filing an amended Campaign Finance Report. While Waverly Glen is not responding on behalf of Mr. Page, upon information and belief, the report at issue was amended solely to correct the donor's address, which originally had listed a Canadian address due to clerical error. This error occurred when the return address was taken from the envelope in which the contribution arrived and then listed on the original Campaign Finance Report. *See* Affidavit, Ex. B at 10.

However, Ergosafe made the contribution at the direction of its President Charley Wallace. *See* Affidavit, Ex. B at ¶ 8. The contribution was drawn from Ergosafe's bank account with HSBC Bank USA, N.A. *See* Contribution Check, attached hereto as Exhibit H; HSBC letter, dated November 7, 2008, attached hereto as Exhibit I.

Mr. Wallace, however, was not in Ergosafe's Missouri office when he authorized payment of the contribution. For that reason, he was unable to physically sign the contribution check. *See* Affidavit, Ex. B at ¶ 9. He therefore contacted the corporate headquarters of Ergosafe's parent in Canada and directed a check to be issued on Ergosafe's behalf. *See id.* at ¶ 10. At the Canadian office, eight individuals have authorization to issue checks from the Prism Group's accounts located in the United States, including Ergosafe's HSBC account. *See id.* Both signatories in this instance were from among those eight individuals. *See id.*

Ergosafe's parent merely signed and mailed a check for a contribution previously authorized by Ergosafe. If Mr. Wallace had been in Missouri when he authorized payment, the check would have reflected his signature and would have been contained in an envelope listing Ergosafe's home office as the return address. *See id.* at ¶ 11.

4. Ergosafe's Business in Missouri Is Substantial.

Complainant attempts to "raise serious doubts" about the true source of the contribution by characterizing Prism's Missouri operation as relatively minimal. The implication appears to be that a small Missouri company donating \$10,000 to a Missouri state race should raise suspicion about the true source of the funds. This characterization of Ergosafe as a small Missouri company is erroneous. This is not a situation where Prism Medical Ltd. or Waverley Glen indirectly made a political contribution in Missouri through Ergosafe. *See United States v. Trie*, 23 F.Supp.2d 55 (D.D.C. 1998) (alleging that the defendant set up "conduits" to make political contributions and then used money from foreign sources to reimburse those conduits).

Ergosafe is expected to generate \$10 million in revenue for 2008. *See Affidavit*, Ex. B at ¶ 12. In addition, it has recently leased a 36,000 square foot facility in Missouri and has plans to hire 35 additional Missouri employees in 2009. *See id.* at ¶ 13. In short, Ergosafe is rapidly becoming a significant part of

Missouri's economy. Accordingly, it has begun to invest in Missouri's political system as well, a routine practice across the state. This is hardly unusual.

Nor is it unusual that Charley Wallace made a personal contribution to Page as the Complaint suggests. Although it is true that he is the Chief Operating Officer at Prism Medical Ltd., he is also the President of Ergosafe and life-long resident of Missouri who would naturally contribute to his home state's political campaigns. *See id.* at ¶ 2. Indeed, Wallace's personal contribution corroborates Ergosafe's ties with Missouri and its politics as well as that entity's contribution to a Missouri politician.

What would have been unusual would have been a Canadian corporation donating to a Missouri state election campaign. But this was not the case as the Canadian parent in fact was merely assisting and facilitating Ergosafe's contribution.

II. CONCLUSION

In conclusion, Waverley Glen respectfully requests that the Complaint filed in this cause be dismissed with prejudice and for such other and proper relief as may be deemed appropriate by the Commission.

ARMSTRONG TEASDALE LLP

BY: 

Jeffrey T. Demerath #30991
Therese (Tessa) Rolufs Trelz #36929
Christopher R. LaRose #59612
One Metropolitan Square, Suite 2600
St. Louis, Missouri 63102-2740
(314) 621-5070
(314) 552-4867 (facsimile)
jderath@armstrongteasdale.com
ttrelz@armstrongteasdale.com
clarose@armstrongteasdale.com

**MISSOURI ETHICS COMMISSION****CONTRIBUTION OF MORE THAN \$5,000.00 RECEIVED BY ANY COMMITTEE FROM ANY SINGLE DONOR - TO BE FILED WITHIN 48 HOURS OF RECEIVING THE CONTRIBUTION**MEC ID: C051078

NAME OF COMMITTEE PAGE FOR MISSOURI		DATE 10/17/2008
PURPOSE: The purpose of this form is to report within 48 hours the receipt of a single contribution of more than \$5,000.00 received from any single contributor. This information should also be included in the next full disclosure report filed by your committee. Required Pursuant To Section 130.044 RSMo.		
1. NAME, ADDRESS AND OCCUPATION (LIST COMMITTEES FIRST)	2. DATE RECEIVED	3. AMOUNT RECEIVED (CHECK IF MONETARY OR IN-KIND)
NAME: Waverly Glen, A Prism Medical Company ADDRESS: 2351 Grissom Dr. CITY/STATE: St. Louis, Missouri 63146 EMPLOYER: This is an Amendment to a report filed October <input type="checkbox"/> COMMITTEE:	10/4/2008	\$ 10,000.00 <input checked="" type="checkbox"/> MONETARY <input type="checkbox"/> IN-KIND
NAME: ADDRESS: CITY/STATE: EMPLOYER: <input type="checkbox"/> COMMITTEE:		\$ <input type="checkbox"/> MONETARY <input type="checkbox"/> IN-KIND
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**EXHIBIT
A**

29044243081

State of Delaware
Secretary of State
Division of Corporations
Delivered 05:41 PM 08/19/2007
FILED 05:47 PM 08/19/2007
SBN 071032003 - 4425709 FILE

CERTIFICATE OF FORMATION

OF

ERGOSAFE PRODUCTS, LLC

1. The name of the limited liability company is ErgoSafe Products, LLC.

2. The address of its registered office in the State of Delaware is 2711 Centerville Road, Suite 400, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is Corporation Service Company.

IN WITNESS WHEREOF, the undersigned have executed this Certificate of Formation of ErgoSafe Products, LLC this 19th day of September, 2007.



Andrew McIntyre
Authorized Person

State of Missouri



**Robin Carnahan
Secretary of State**

**CERTIFICATE OF REGISTRATION
FOREIGN LIMITED LIABILITY COMPANY**

WHEREAS,

ERGOSAFE PRODUCTS, LLC
FL0888986

Using in Missouri the name

ERGOSAFE PRODUCTS, LLC

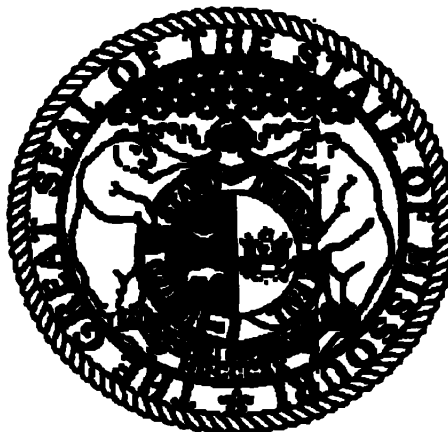
and existing under the laws of the State of Delaware has filed with this state its Application for Registration and whereas this Application for Registration conforms to the Missouri Limited Company Act.

NOW, THEREFORE, I, ROBIN CARNAHAN, Secretary of State of the State of Missouri, by virtue of authority vested in me by law, do hereby certify and declare that on the 17th day of April, 2008, the above Foreign Limited Liability Company is duly authorized to transact business in the State of Missouri and is entitled to any rights granted Limited Liability Companies.

**IN TESTIMONY WHEREOF, I hereunto
set my hand and cause to be affixed the
GREAT SEAL of the State of Missouri.
Done at the City of Jefferson, this
17th day of April, 2008.**

Robin Carnahan

Secretary of State



**EXHIBIT
D**

29044243083

[Frequently Asked Questions](#) [View Search Results](#) [Summary of Charges](#) [Logout](#)

Entity Details

File Number: 3629648 **Incorporation Date / Formation Date:** 02/26/2003 (mm/dd/yyyy)

Entity Name: PRISM MEDICAL USA, INC.

Entity Kind: CORPORATION **Entity Type:** GENERAL

Residency: DOMESTIC **State:** DE

Status: GOOD STANDING **Status Date:** 02/26/2003

TAX INFORMATION

Last Annual Report Filed: 2007 **Tax Due:** \$ 0.00

Annual Tax Assessment: \$ 35.00 **Total Authorized Shares:** 100

REGISTERED AGENT INFORMATION

Name: THE CORPORATION TRUST COMPANY

Address: CORPORATION TRUST CENTER 1200 ORANGE STREET

City: WILMINGTON **County:** NEW CASTLE

State: DE **Postal Code:** 19801

Phone: (302)688-7881

FILING HISTORY (Last 5 Filings)

Seq	Document Code	Description	No. of pages	Filing Date (mm/dd/yyyy)	Filing Time	Effective Date (mm/dd/yyyy)
1	01025	Incorp Delaware Stock Co.	1	02/26/2003	12:00	02/26/2003

To contact a Delaware Online Agent click [here](#).

**EXHIBIT
E**

29044243085

NEW CASTLE COUNTY
REGISTRATION OF TRADE NAMES
PARTNERSHIPS & ASSOCIATIONS

6 Del.C. Ch. 31
FILED
PROTHONOTARY

2008 MAY 19 PM 3:13

TRADE NAME: PRISM MEDICAL SERVICES USA

Business Address: 2351 Gibson Drive, St. Louis, MO 63146

Phone Number 314-682-9135
Title of Person, Firm or Association (Parent Company, if applicable):

Prism Medical Products, LLC

Names and addresses of all owners, members, or partners comprising the firm:

Prism Medical USA, Inc.	(Sole Member)	2351 Gibson Drive, St. Louis, MO 63146
Wallace, (President)	Chairman	2351 Gibson Drive, St. Louis, MO 63146

Date of Formation: 9/19/97

Nature of Business: Sale of patient handling equipment and medical products

STATE OF DELAWARE Notar
NEW-CASTLE COUNTY St. Louis

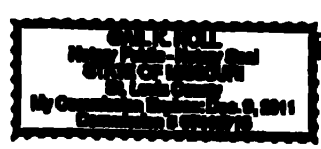
BEFORE ME, the Subscriber, a Notary Public of the State of Delaware, personally appeared Charles Wallace, a principal in the business described in the foregoing Certificate, who, having first been sworn by me according to law did depose and say as follows:

1. He/She is a principal in the business described in the foregoing certificate.
2. That the foregoing information provided in the foregoing certificate is true, correct, and complete.

CERTIFIED AS A TRUE COPY:
ATTEST: SHARON AGNEW
PROTHONOTARY
BY: Sharon Agnew

[Signature]
Notary
Title: Chairman & President

SWORN AND SUBSCRIBED this 16 day of May, 2008.



Sharon Agnew
Notary Public

EXHIBIT
F



State of Missouri
Robin Carnahan, Secretary of State

File Number: 200816690775

X00898870

Date Filed: 06/03/2008

Expiration Date: 06/03/2013

Robin Carnahan

Secretary of State

Registration of Fictitious Name

This fictitious name filing shall expire 5 years from the date filed unless a renewal filing is submitted within 6 months prior to the expiration date.

This information is for the use of the public and gives no protection to the name being registered. There is no provision in this Chapter to keep another person or business entity from adopting and using the same name. (Chapter 417, RSMo)

The undersigned is doing business under the following name, and at the following address:

Business name to be registered: PRISM MEDICAL SERVICES USA

Business address: 2351 GRISSOM DRIVE

City, State and Zip Code: ST. LOUIS MO 63146

If all parties are jointly and severally liable, percentage of ownership need not be listed.

Name of Owners, Individual or Business Entity	Street and Number	City and State	Zip Code	If listed, Percentage of ownership must equal 100%
ERGOSAFE PRODUCTS, LLC	2351 GRISSOM DRIVE	ST. LOUIS MO	63146	100%

In Affirmation thereof, the facts stated above are true:

(The undersigned understands that false statements made in this filing are subject to the penalties of a false declaration under Section 575.060, RSMo)

MILES ATKINSON

(Authorized Signature)

Other

(Authorized Party Relation)

**EXHIBIT
G**